

From: [Van Overberghe, Ken](#)
To: [Kinzle, Mark W](#); [Lazzaro, David J](#)
Subject: Update on request from yesterday
Date: Tuesday, January 20, 2015 12:04:51 PM

Mark/Dave,

We are close to wrapping the exercise up – two issues that are being run down:

1. There is not much program to date data on insertion, so we are trying to pull some info together
2. Meters – 8 unit buildings. Estimate basis was separating single family, 2-4 units, 5-9 units and greater than 9 units. I will run with greater than 9 and then 5-9 as well.

I will keep you posted....

Ken VanOverberghe
Manager – Planning and Forecasting
Program Management Office
(d) 312.240.7770
(c) 773.447.2519
kvanoverberghe@peoplesgasdelivery.com

From: [Van Overberghe, Ken](#)
To: [Kinzle, Mark W](#)
Cc: [Lazzaro, David J](#)
Subject: RE: Update on request from yesterday
Date: Wednesday, January 21, 2015 2:07:22 PM

Mark,

Outstanding item is the meter data, which will be wrapped up tomorrow. Our team re-ran the GIS info and is currently completing the sort for > 8 units. I expect you should see it by late tomorrow morning or Friday AM (I have an all afternoon meeting tomorrow).

To recap, the scenarios assed include:

- 24" steel pipe from plastic
- 30% insertion for 8"-12"
- 60% direct bore 2"-4" . 20% for 6"-8"
- 20% of inside meters, 8 units or greater remain in place

Other information requested includes:

- criteria for small / medium / large meters designations
- inside / outside / other location split

I believe that covers everything, but let me know if I missed something.

Thanks

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From: Kinzle, Mark W
Sent: Tuesday, January 20, 2015 12:06 PM
To: Van Overberghe, Ken
Cc: Kinzle, Mark W; Lazzaro, David J
Subject: Re: Update on request from yesterday

Thank you

On Jan 20, 2015, at 12:04 PM, Van Overberghe, Ken <KVanOverberghe@peoplesgasdelivery.com> wrote:

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From: [Van Overberghe, Ken](#)
To: [Kinzle, Mark W](#)
Cc: [Lazzaro, David J](#)
Subject: RE: Update on request from yesterday
Date: Friday, January 23, 2015 8:51:42 AM
Attachments: [What If Scenario Summary.xlsx](#)

Mark,

Attached is the information requested. The spreadsheet includes 4 tabs

- Estimate Adjustments based on scenarios
- Small / Medium / Large meter criteria
- Meter count by
 - Shop
 - Meter location
 - Meter size
 - Facility – single / multi
- Insertion Unit Rate used in scenario

I am starting to break out a couple options to drive closer to the \$4.6B referenced in today's news article, though imagine a number of others on your end will be looking into this as well....

Let me know if you have any questions or want to get together for a couple minutes to discuss.

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Adjustment Options		2015 Forecast - 01/06/15		Change 24 " to Steel from Plastic (36 miles)	Direct Bore Increase 2"-4" - 60% 6"-8" - 20%	>8 Unit buildings - 20% Indoor meters not moved	Insertion 30% of 8"-12"	Potential Changes		
		Quantity	Est. Cost	Est. Cost	Est. Cost	Quantity	Est. Cost	Est Cost	Qty	Est. Cost
2015 Estimate				\$8,860,000,000	\$8,860,000,000		\$8,860,000,000	\$8,860,000,000		
Mains	Mi	3,453	\$2,287,738,925	\$39,690,000	(\$185,180,000)	0	\$0	(\$48,300,000)	3,453	\$2,093,948,925
Rail	Ea	137	\$81,500,000	\$0	\$0	0	\$0	\$0	137	\$81,500,000
Services	Ea	308,581	\$955,129,020	\$0	\$0	0	\$0	\$0	308,581	\$955,129,020
Meters	Ea	563,583	\$652,244,834	\$0	\$0	(41,082)	(\$49,050,000)	\$0	522,501	\$603,194,834
HP Main	Mi	32	\$227,976,365	\$0	\$0	0	\$0	\$0	32	\$227,976,365
Gate Station	Ea	2	\$10,000,000	\$0	\$0	0	\$0	\$0	2	\$10,000,000
PRS - Aband	Ea	325	\$12,400,000	\$0	\$0	0	\$0	\$0	325	\$12,400,000
PRS - New	Ea	44	\$10,915,000	\$0	\$0	0	\$0	\$0	44	\$10,915,000
Int Restoration	Ea	21,645	\$1,882,380,000	\$0	\$0	0	\$0	\$0	21,645	\$1,882,380,000
Permits	Ea		\$59,251,000	\$0	\$0	0	\$0	\$0		\$59,251,000
Openings	LF		\$96,190,000	\$0	\$0	0	\$0	\$0		\$96,190,000
Moratoriums	Lot		\$59,505,000	\$0	\$0	0	\$0	\$0		\$59,505,000
Design	Lot	4.1%	\$171,655,000	\$1,605,000	(\$7,720,000)	0	\$0	(\$2,020,000)	3.9%	\$163,520,000
PMO/PGL	Lot	19.4%	\$820,482,979	\$8,550,000	(\$39,800,000)	(0)	(\$10,550,000)	(\$10,350,000)	18.3%	\$768,332,979
<i>Sub Total</i>		3,453	\$7,327,368,123	\$49,845,000	(\$232,700,000)	0	(\$59,601,908)	(\$60,670,000)		\$7,024,241,215
Escalation/Rounding	Lot	20.9%	\$1,532,631,877	\$15,155,000	(\$42,300,000)	0	(\$398,092)	(\$4,330,000)	21.4%	\$1,500,758,785
Escalation Adjustment to 21%									21.0%	-\$25,000,000
<i>Total Adjustment Option</i>				\$65,000,000	(\$275,000,000)		(\$60,000,000)	(\$65,000,000)		
Adjusted Estimate			\$8,860,000,000	\$8,925,000,000	\$8,585,000,000		\$8,800,000,000	\$8,795,000,000		\$8,500,000,000
								Total Potential Savings		\$360,000,000